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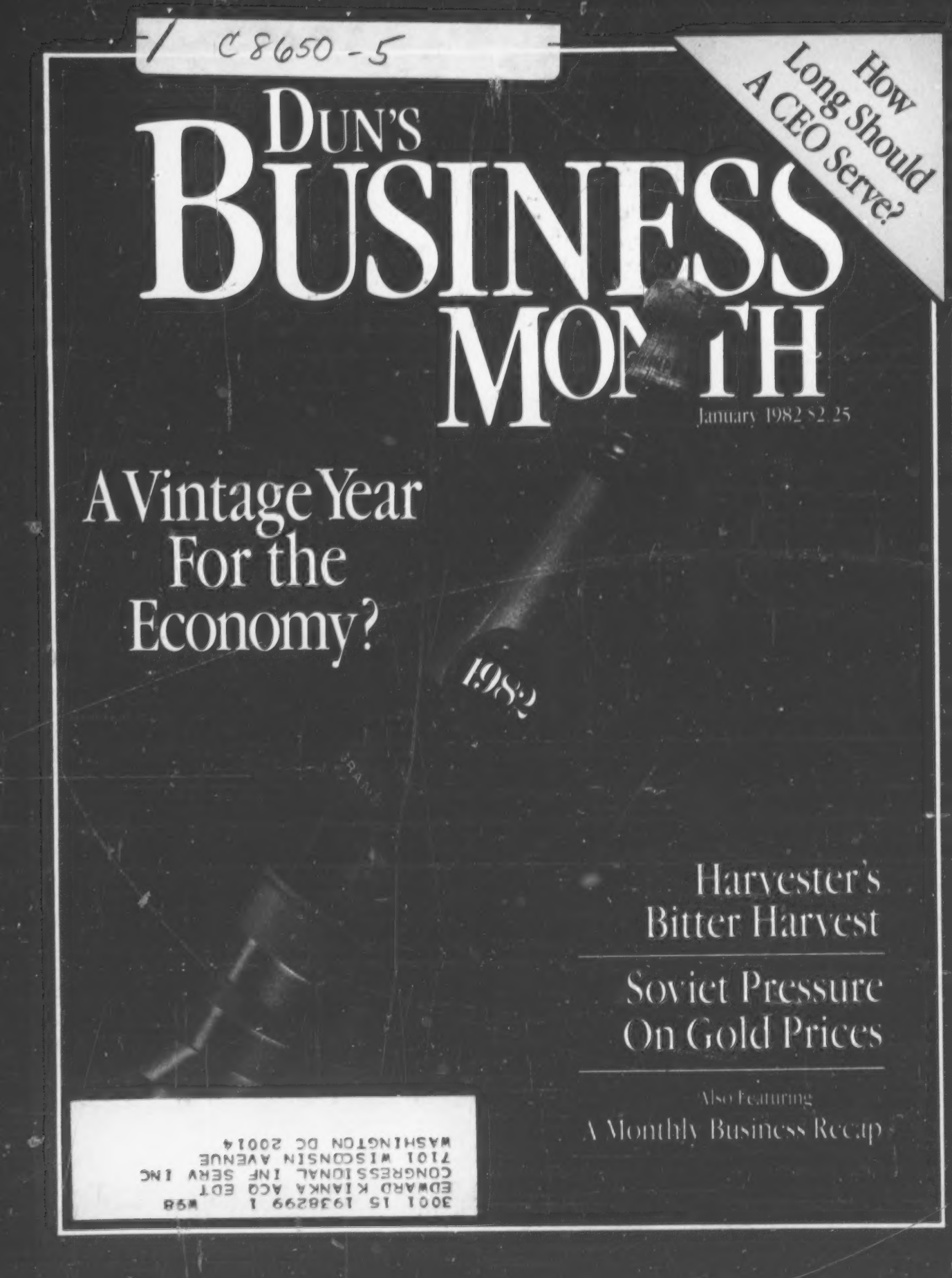
A Vintage Year For the Economy?



Harvester's Bitter Harvest

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Feature Departments

ECONOMY

Vintage Year For the Economy? 40

Some experts see a rapid recovery, robust growth and single-digit inflation by the end of 1982.

- **Arnold R. Weber: Its power waning, labor needs to modify its goals.**

WASHINGTON

Curbing the Flow Of Technology To the Soviets 48

A new restrictive Reagan policy may not be enough to deny the Russians the data they want.

- **Why Senators Vote as They Do**
- **The CFTC Pushes Self-Regulation**

MONEY & MARKETS

Corporate Rush To Tax-Exempts 60

Worried that Congress may restrict industrial development bonds, companies are speeding up new offerings.

- **Selling Mortgages: S&L Survival Tactic**

DUN'S BUSINESS MONTH

January 1982, Vol. 119, No. 1

MANAGEMENT

Limiting a CEO's Tenure 68
Even for ace executives, experts agree, ten years at the corporate helm should be enough

- **Paying For Stress On the Job**

COMPANIES

Harvester's Bitter Harvest 76
What would be the fallout from an International Harvester bankruptcy?

INTERNATIONAL

The New Face Of British Politics 80
The growing power of the Social Democratic-Liberal alliance could spell the end of Britain's two-party system.

- **Soviet Pressure On Gold Prices**

TECHNOLOGY

Genetic Engineering's Manpower Problem 92
A severe shortage of scientists and engineers is thwarting many large companies eager to exploit gene-splicing technologies.

- **Building a Better Gear**

CITIES & STATES

Ralston Purina's Urban Commitment 98
The agrigiant's bold, pitfall-strewn project to transform a St. Louis slum finally bears fruit.

INDUSTRIES

Spotlight on Nuclear Safety 103
Continuing snafus in plant construction and operations pose a serious threat to the industry's future.

Letters 6
More leverage?

BizQuiz 11
Whats ina name?

Surveys & Studies 107
Takeovers: Who stays on?

Personal Finance 109
- *Amex trades gold coins*
- *Those exciting new issues*
- *Ins and outs of universal life*

The Business Month

ECONOMY

Rivers of red ink 21
Soaring unemployment
Fed actions

WASHINGTON

What new taxes? 22
Spending-cut resistance
Social Security bailout

LABOR

The unions at bay 23
Reagan's olive branch

INTERNATIONAL

Poland's plight 23
Rumania: Another Poland?
U.S.-Japan trade tensions
Mexico's growing debt
China's economic goals
Swiss bank troubles

COMPANIES

Mobil's maneuvers 26
Boeing's big sale
End of Lockheed's L-1011
Sambo's bankruptcy
Beatrice's China deal
RKO General loses license
Sears' fringe benefit
Bausch & Lomb phaseout

MONEY & MARKETS

Testing Glass-Steagall 31
U.S. free trade zone

34

FASB Adopts Rule 52
CBOT wrangle
Agencies come to terms
Falling interest rates
NASDAQ rules changed
SEC going too far?
The new penny

INDUSTRIES

Steel dumping spat 34
Business mail speedup
Detroit's capital woes
One-sided profit growth

MANAGEMENT

Incentive stock options 34
New pressure from minority stockholders
Grumman's stock violation
Little-known tax gimmick

TECHNOLOGY

AT&T readies new system 35
Lilly's advanced antibiotic
Controversial study on Xerox

MARKETING

Kraft turns to wine 36
McDonald's vs. Burger King

ing of switching from a whole life or term policy to universal life, policyholders should consider their insurability. If for some medical or other reason they would not be granted a new policy, they naturally should stay with what they have. In addition, the premium a fifty-year-old would have to pay on a universal life policy taken out today could be much higher than the premium the same person is paying on whole life taken out a number of years ago. The additional premium costs could wipe out any gains from higher interest rates.

Also to be weighed are the tax consequences of cashing in a whole life policy, since ordinary income taxes are paid on any excess of cash value over lifetime premium payments; moreover, in switching, a policyholder incurs another hefty acquisition cost.

The bottom line on universal life, concludes Bardes, is that "the concept is a good one, but it is too early to tell how good it really is."

—MARJORIE SIEGEL LYONS

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

Investment	(11/30/81) Recent Price	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$16.84/share	$ 10,440	$ 9,442
per cent change		+ 4.4%	- 5.6%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$90.75	$10,992.00	$ 9,471.57
ACCUMULATED INCOME		$ 118.58	$ 1,021.78
TOTAL		$11,110.58	$10,493.35
per cent change		+ 11.1%	+ 4.9%
Money Market Fund	13.78%	$10,114.83	$11,468.45
per cent change		+ 1.1%	+ 11.7%
Gold (Krugerrands)	$428.00/oz.	$ 9,488.76	$ 6,475.64
per cent change		- 5.1%	- 35.2%
House (new single family)	$83,400	$ 89,200	$ 77,100
per cent change		- 6.5%	+ 8.2%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report of Holliston, Mass. 01746; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

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